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MONTHLY PROJECTIONS
AUGUST 1984

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ECONOMIC ACTIVITY SHOWS LOWER GROWTH IN AUGUST

Although the index of hours worked rose negligably in August and preliminary estimates of industrial production showed a 0.2% increase, our analysis of GNP suggests that total economic activity expanded little in August. The weakness appears to be related to several areas of economic activity. First, the surge in imported goods in July, which reversed a moderating trend in business inventories, reduced the need for domestic production in August. Second, two consecutive months of declining retail sales led to reduced orders, especially for nondurable goods, from retail establishments. Indeed, the Employment Situation report for August indicated that hours worked declined in the nondurable goods industries. Indeed, only three areas of the economy exhibited strength in August. First, defense shipments continued to expand. Second, shipments of nondefense capitol goods rebounded following a surprising drop in July. Third, the surge in stock market trading led to a one-month estimated surge in purchases of consumer services. Construction also exhibited modest strength, but the weakness of the sectors was sufficient to generate a flat performance for economic activity.

The General Motors strike appears to be having a much smaller impact upon economic activity than in our August forecast assumptions. Initially, the strike was expected to be systemwide and remove about 1.5 percentage points from GNP in the fourth quarter. It now appears that the UAW's selective strike strategy will reduce GNP by less than 0.5%. In addition, no poststrike rebound should be expected.

Two offsetting factors are creating changes in our price estimates at the present time. First, the dollar remains much stronger than had been anticipated, and than can be justified by purchasing power parody considerations. It appears that the dollars is benefitting from a perception of better investment opportunities in the United States than in the host countries of many foreign investors. Also, a suspicion that interest rates may rise further appears to protect those foreign investors from any fears of a swift decline in the dollar's value. Offsetting these forces is the increased

presence of dollar-based assets in the portfolios of foreign investors. In effect, they are more exposed to currency risks. Until interest rates are expected to decline in the months ahead, the dollar will have no reason to reverse its unusually strong position. The strong dollar has undoubtedly reduced the cost of imported goods and also limited the foreign markets of industries that normally export, forcing their sales back upon the domestic shores. Second, OPEC has been able to maintain its $29/barrel price for crude petroleum. As prices of refined petroleum products fell in the early summer in anticipation of some decline in those crude prices, we find prices now are inconsistent with prices for crude materials. In order for the refiners to once again establish profitability, they must reduce their production of petroleum products until previous retail margins are re-established. Thus, energy prices will be trending upward for the remainder of 1984. Aside from inflation, the strong dollar has reduced our estimates of domestic production for 1985. Obviously, the merchandise trade deficits are higher than originally anticipated because of the dollar's strength.

Unfortunately, the Federal Reserve refuses to utilize this period of dollar strength to encourage short term interest rates downward. Apparently, they believe that the disinflationary influences of a strong dollar are more significant than the possible destabilizing effects upon production that such a dollars' value might have. However, the dollar may be significantly overvalued at the present time. If so, their continued restraint upon inflation as a result of a strong dollar is a pyrrhic victory. When the dollar re-establishes equillibrium, inflationary pressures will intensify unless the Federal Reserve increases the prevailing interest rate differential between domestic short-term rates and short-term rates abroad. Not only would significantly higher short-term rates from current levels cause further economic disruption, but the inflationary backlash from a declining dollar during that period of establishing equillibrium could undo almost all the favorable influences that price moderation has achieved in the last few years. As the Federal Reserve appears to show little inclination to reduce interest rate differentials during this period of an unsustainably strong dollar, it appears that short term interest rates will be forced upward early in 1985. Long-term interest rates also are expected to rebound modestly, as the slowing in loan demand is not expected to persist into the second half the fourth quarter. Indeed, our monthly GNP estimate show an acceleration of economic activity between October and January. This would be the period of greatest vulnerability to rising interest rates.

Because interest rates have continued to trend downward into September, equity values in excess of 1200 on the Dow Jones Index appear to be justified. Moreover, the significant slowing in GNP growth during the summer quarter appears to be exerting most of its impact upon the earnings growth of wage recipients. For example, the hourly earnings index actually declined by 0.2% in August. Thus, corporate profitability should remain surprisingly strong in the summer months despite a weakening in the growth of economic activity. If interest rates rise in the fall, however, and wage recipients try to recapture an increasing share of total income, then equity values will be vulnerable. Indeed, the 1286 established for the Dow Jones high early in 1984 is not expected to be exceeded in 1985.

QUARTERLY PROFILE OF GNP

	1984-2	1984-3	1984-4	1985-1	1985-2	1985-3
Real:	7.6	4.0	2.3	2.7	2.7	2.5
Price:	3.3	4.2	4.3	5.3	5.1	5.1
Nominal:	11.1	8.3	6.7	8.1	8.0	7.7

Monthly Statistical Highlights for August 1984

Personal income +0.4%; savings rate 6.3%; personal consumption +0.1%; construction expenditures +0.4%; business inventories +0.9%; orders for durable goods +1.1%; orders for nondefense capital goods +2.8%; CPI +0.3%; consumption deflater +0.3%; leading indicator - unchanged; real GNP +0.3%.

Monthly Statistical Highlights for September 1984

Payroll employment +216,000; index of hours work +0.1%; household employment 733,000; civilian unemployment rate 7.4%; personal income +0.8%; savings rate 6.3%; personal consumption +0.8%; retail sales +1.4%; auto sales 10.4 million; housing starts - unchanged; housing permits +1.2%; construction expenditures +0.5%; business inventory +0.8%; orders for durable goods +0.3%; orders for nondefense capital goods +0.1%; industrial production +0.2%; CPI +0.5%; PPI +0.4%; consumption deflator +0.3%; leading indicator +0.4%; real GNP +1.5%; and M1 +14.5%; and M2, 6.1%.

COMMENTARY

Employment - The good news about the 159,000 increase in payroll employment during August, was the absence of more than 50,000 from health services because of a strike. The settlement of that strike should add that number to the payroll gains in September. Also, the GM walkout occurred after the survey week. Therefore, no impact will be registered upon September payroll employment from that strike. The bad news is the shortening of the workweek and the obvious topping out of employment in many nondurable goods industries. Apparently, exposure to foreign competition has significantly reduced the domestic markets of these companies.

The employment figures also indicated that hourly earnings fell in August, leading to a relatively modest gain for personal income. Normally, unusual declines in employment and the labor force as measured by the household survey during the summer is usually reversed in September. For that reason, a surge in both employment and labor force activity is expected at that time. Certainly, the participation rates of females and teenagers remain unusually low.

Personal Income and Outlays - Personal income gains in August, reflect almost solely gains in property income and transfer payments. More significant gains are expected for wage recipients in September. However, hurricane Diana will remove about $0.7 billion at annual rates from the rental category in the September report. Outlays are being distorted in August as a result of the annualizing of increased transaction fees for stockmarket transactions. Outlays for services should surge in August and then show little growth in September. Offsetting that surge in services outlays is a sharp decline in outlays for durable goods as a result of further decreases in automobile sales. Sales for the first ten days of September, however, indicate that auto sales will now be

increasing in the months ahead. Therefore, consumer activities is expected to show a significant rebound in September and beyond.

Construction - As interest rates have slowly begun descending as a result of lower long-term rates during the summer months than in the May peak, housing sales have begun to firm. As a result, starts are expected to remain in the vicinity 1.7 million units for the remainder of 1984. As interest rates are expected to trend upward in 1985, housing once again will be crowded out at that time. However, most of the weakness should be registered in the multi-family units, where excess construction activity has been concentrated.

The surge in private nonresidential construction has moderated dramatically in the last few months. It now appears that nonresidential activity will grow significantly slow than originally projected, mostly as a result of cancellation and the stretching out of utility projects. This significant alteration in the forecast leads to substantially lower construction expenditures early in 1985 than originally expected. However, moderate price changes for construction materials should permit the industry as a whole to maintain current levels of activity and through adjustment for inflation through next year. Of course, the mix will be altered to reflect a slower residential and more rapid nonresidential growth than in 1984.

Business Activity - Business inventories rebounded significantly in July following minimal change in June. This rebound apparently reflects both the significant growth of inventory goods from abroad and the inventory and processing of capital equipment. Indeed, shipments of nondefense capital goods showed an unexpected decline in July, but this probably reflects nothing more than a shift in the rate of completion of prevailing orders. Orders remain well above the shipments. Indeed, the decline in both nondefense capital goods orders and shipments in July might indicate that some reports were tardy in that month and will be captured in the next month. If so, more significant gains in orders and shipments could be reported in August than currently expected.

FINANCIAL MARKETS

Long-term interest rates have been following the movement of commercial and industrial loans at large commercial banks. Between January and May loan growth was at an annual rate of 36%. During that period of time, long-term interest rates rose nearly two percentage points while short-term interest rates also increased. Since that time, commercial and industrial loans slowed to an annual rate of 6% into early August and have actually been declining in the last six weeks. Because the Federal Reserve has shown little willingness to reduce short-term interest rates, this weakness in credit market pressures was reflected in declining long-term rates. It now appears that loan demand will once again begin intensifying during the fourth quarter. Increasing borrowings for fixed investment purposes, and also for the financing of rising inventories will be mostly responsible for the growth in external borrowings. However, corporate profitability should show little further growth in the fourth quarter and may be declining slightly in the first half of 1985. Thus, internally generated funds in the corporate sector also will be weak. For these reasons, interest rates are expected to once again trend upward early in 1985. As the Federal Reserve probably will permit short-term rates to move up under increasing credit market pressures, the magnitude of the upswing in long-term interest rates should be smaller than expected in the forecast of August. One exception to that is in the municipal markets, where significant supplies for

mortgage subsidy purposes has increased the ratio of the Bond Buyer to the AAA rate.

According to the interest rate movements on sensitive short-term rates, Federal Reserve restraints rather than credit market demands appears to be responsible for the increase in the federal funds rates in late summer. Why the Federal Reserve has engaged in such a policy is not clear. What is clear, however is the intention of the Federal Reserve to continue restraining reserve growth until the economy has visibly slowed.

Equity Markets - As mentioned in the summary, corporate profits are expected to continue expanding through 1984 despite the slowing of economic growth. In 1985, however, rising wage costs and increase interest costs, at least during the early part of that year, should prevent any growth in operating profits. At the same time, rising interest rates should reduce the value of earnings streams being generated by the corporate sector. Thus, stock value should reach a peak early in the fourth quarter, if not sooner, and then should show a declining trend through the first half of 1985.

EMPLOYMENT

	Payroll Employment		Index of Hours Worked		Household Civilian Employment		Civilian Unemployment Rate		Hourly Earnings Inde	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	93449	93449	112.0	112.0	104402	104402	7.8	7.8	159.9	159.9
May	93768	93786	112.0	112.0	105288	105288	7.5	7.5	159.6	159.6
June	93970	94135	112.6	112.7	105748	105748	7.1	7.1	160.3	160.3
July	94286	94351	112.9	112.6	105879	105395	7.3	7.5	161.1	160.8
August	94533	94510	113.2	112.7	106220	104969	7.1	7.5	161.5	160.6
September	94795	94726*	113.6	112.8*	106575	105702*	7.0	7.4*	161.8	161.4*
October	94762	94783	113.3	112.3	106537	106008	7.0	7.3	162.4	162.0
November	94897	94942	113.7	113.2	106895	106225	7.0	7.2	163.0	162.2
December	95416	95178	114.0	113.6	107181	106495	6.9	7.1	163.5	162.9
January 1985	95584	95390	114.3	113.8	107489	106752	6.9	7.1	164.3	163.5
February	95727	95474	114.6	113.9	107646	106890	6.9	7.2	165.3	164.2
March	95960	95573	115.0	114.0	107890	107022	6.7	7.2	166.2	165.0
April	96092	95741	115.0	114.2	108134	107324	6.6	7.1	166.9	165.8
May	96243	95825	115.2	114.3	108363	107467	6.6	7.2	167.6	166.5
June	96385	95985	115.4	114.5	108592	107656	6.5	7.2	168.2	167.2
July	96538	96084	115.6	114.6	108748	107827	6.5	7.2	169.1	168.0
August	96705	96252	115.7	114.8	108915	108036	6.6	7.1	170.0	168.7
September	96874	96436	115.9	115.0	109093	108357	6.7	7.0	170.9	169.5

PERSONAL INCOME

	Personal Income		Wage & Salary		Personal Savings		Disposable Income		Personal Outlays	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	2.969	2.967	1.785	1.785	162.3	158.2	2.545	2.542	2.383	2.384
May	2.981	2.977	1.789	1.790	142.9	134.6	2.554	2.547	2.411	2.413
June	3.005	3.002	1.802	1.804	156.8	144.1	2.573	2.566	2.417	2.422
July	3.028	3.027	1.814	1.815	163.1	157.5	2.591	2.587	2.428	2.429
August	3.050	3.038*	1.825	1.816*	157.9	164.1*	2.609	2.595*	2.451	2.431*
September	3.061	3.062	1.827	1.827	142.9	163.4	2.616	2.614	2.473	2.451
October	3.074	3.073	1.830	1.826	144.7	154.6	2.626	2.622	2.481	2.467
November	3.105	3.102	1.852	1.843	159.7	163.2	2.653	2.648	2.493	2.485
December	3.123	3.127	1.864	1.857	152.2	164.7	2.667	2.669	2.515	2.504
January 1985	3.140	3.139	1.877	1.870	148.2	156.9	2.680	2.677	2.532	2.520
February	3.164	3.159	1.892	1.880	151.3	152.9	2.699	2.693	2.548	2.540
March	3.188	3.178	1.908	1.891	155.7	152.3	2.719	2.708	2.563	2.556
April	3.209	3.200	1.918	1.904	157.5	162.2	2.737	2.726	2.579	2.564
May	3.234	3.218	1.929	1.914	163.7	155.1	2.760	2.738	2.596	2.583
June	3.260	3.240	1.938	1.925	169.0	159.2	2.781	2.761	2.612	2.602
July	3.281	3.261	1.951	1.936	168.3	160.9	2.797	2.778	2.629	2.617
August	3.301	3.280	1.964	1.947	166.5	162.9	2.811	2.793	2.645	2.630
September	3.320	3.302	1.977	1.960	166.2	164.0	2.826	2.812	2.660	2.648

Fore. = August Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

CONSUMPTION

	Personal Consumption		Durables		Nondurables		Services		Consumption Real	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	2307.7	2308.9	309.7	309.7	855.3	855.3	1142.7	1143.9	1053.2	1053.(
May	2334.0	2335.6	324.0	325.4	859.8	860.0	1150.2	1150.2	1065.4	1066.1
June	2338.4	2344.1	322.5	325.8	858.3	859.5	1157.6	1158.8	1066.5	1069.5
July	2349.1	2350.4	323.2	320.8	860.6	867.0	1165.3	1162.5	1067.8	1066.8
August	2371.1	2352.4*	324.4	316.9*	867.3	865.6*	1179.4	1169.9*	1073.9	1065.(
September	2391.9	2371.3	325.6	322.0	880.0	871.7	1186.3	1177.6	1078.9	1069.(
October	2399.3	2387.4	323.8	326.2	880.9	876.9	1194.6	1184.3	1078.3	1073.5
November	2410.5	2404.0	322.7	330.5	884.0	881.3	1203.8	1192.2	1079.5	1077.4
December	2431.0	2422.6	330.6	335.3	887.4	886.6	1213.0	1200.7	1084.3	1081.(
January 1985	2447.0	2437.6	332.9	339.2	892.5	889.6	1221.6	1208.8	1087.6	1083.7
February	2461.9	2456.9	333.8	341.9	897.6	898.5	1230.5	1216.5	1090.8	1088.1
March	2476.5	2471.7	333.8	342.1	902.1	903.9	1240.6	1225.7	1093.9	1090.4
April	2491.7	2479.1	335.1	340.1	907.3	904.5	1249.3	1234.5	1096.2	1088.4
May	2507.5	2497.1	336.3	343.0	912.0	910.7	1259.2	1243.4	1098.8	1092.1
June	2522.2	2515.5	337.6	345.5	916.7	917.2	1267.9	1252.8	1100.0	1096.1
July	2537.9	2529.9	339.7	346.0	920.9	923.7	1277.3	1260.2	1103.0	1098.1
August	2552.8	2542.2	341.1	345.2	925.3	927.5	1286.4	1269.5	1105.6	1098.9
September	2567.1	2559.4	341.9	344.2	929.4	936.6	1295.8	1278.6	1107.9	1101.(

RETAIL SALES

	Retail Sales		Non-Auto Durables		Auto (Million Units)		Nondurable Sales		Auto Sales	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	107.51	107.51	15.37	15.37	10.1	10.1	70.07	70.07	22.07	22.(
May	108.24	108.24	15.49	15.49	11.0	11.0	70.33	70.33	22.42	22.4
June	108.78	109.32	15.50	15.71	10.8	11.0	70.42	70.64	22.86	22.9
July	108.94	107.14	15.71	15.35	10.7	10.6	70.50	69.77	22.73	22.(
August	109.77	106.23*	15.77	15.43	10.8	10.0	71.05	69.66	22.95	21.1
September	110.81	107.67*	15.69	15.53*	10.8	10.4*	72.09	70.15*	23.03	21.9
October	110.67	108.58	15.76	15.65	10.6	10.5	72.17	70.57	22.74	22.3
November	110.80	109.43	15.93	15.78	10.3	10.7	72.42	70.92	22.45	22.7
December	112.02	110.42	15.88	15.85	10.9	10.9	72.70	71.35	23.44	23.2
January 1985	112.71	111.03	15.90	15.97	11.0	11.0	73.12	71.51	23.69	23.5
February	113.22	111.98	16.09	16.02	10.9	11.1	73.53	72.14	23.60	23.8
March	113.60	112.36	16.19	16.15	10.8	11.0	73.90	72.50	23.51	23.7
April	114.18	112.26	16.25	16.21	10.8	10.8	74.33	72.63	23.60	23.4
May	114.70	113.34	16.44	16.32	10.7	10.9	74.71	73.37	23.55	23.6
June	115.25	114.07	16.37	16.43	10.8	11.0	75.10	73.81	23.78	23.8
July	115.84	114.65	16.37	16.52	10.9	11.0	75.44	74.33	24.03	23.8
August	116.36	114.86	16.65	16.58	10.8	10.9	75.80	74.64	23.91	23.6
September	116.80	115.48	16.64	16.63	10.8	10.8	76.14	75.37	24.02	23.4

Fore. = August Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

BUSINESS ACTIVITY

	Manufacturers' Inventories		Durable Goods Orders		Non-Defense Capital Goods Orders		Non-Defense Capital Shipments	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	270.4	270.4	98.32	98.32	25.89	25.89	24.80	24.80
May	274.6	274.6	102.26	102.26	28.96	28.96	25.89	25.89
June	277.8	277.3	99.83	99.17	28.08	28.03	27.04	26.89
July	280.3	280.0	97.78	100.50	27.63	27.09*	26.56	25.63
August	282.6	282.2*	98.72	101.60*	27.85	27.85*	26.94	26.65*
September	285.4	284.5	99.63	101.92	28.43	27.88	27.47	26.93
October	288.1	287.0	99.67	102.47	28.40	28.15	27.55	27.21
November	290.3	288.9	100.39	104.11	28.32	28.52	27.67	27.52
December	292.3	291.9	101.27	103.27	28.57	28.50	27.80	27.73
January 1985	294.8	293.7	103.43	104.05	29.18	28.72	28.15	27.91
February	297.1	295.8	103.76	104.48	29.20	28.86	28.46	28.15
March	299.8	298.0	104.68	105.13	29.53	28.99	28.79	28.37
April	302.2	300.3	103.78	104.72	29.50	28.86	28.85	28.52
May	305.7	302.7	105.14	105.61	29.63	29.21	28.93	28.73
June	307.8	305.3	104.88	105.94	29.71	29.28	28.93	28.90
July	310.4	307.1	106.62	106.62	30.12	29.36	29.01	28.85
August	313.2	309.2	107.18	107.82	30.28	29.58	29.50	29.11
September	315.7	312.4	107.50	108.95	30.37	29.79	29.76	29.42

	Business Inventories		Defense Shipments		Industrial Production		Capacity Utilization	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	541.1	541.1	5.99	5.99	162.2	162.2	81.5	81.5
May	545.9	545.9	5.75	5.75	162.7	162.9	81.5	81.6
June	550.8	546.8	5.92	5.98	164.1	164.4	82.0	82.2
July	556.3	551.2	6.06	5.97	165.2	165.8	82.3	82.6
August	560.5	556.0*	6.18	6.13*	166.3	166.2	82.6	82.6
September	564.7	560.6	6.36	6.22	166.5	166.5*	82.5	82.6*
October	569.3	565.7	6.35	6.30	166.2	166.9	82.1	82.7
November	573.9	571.3	6.43	6.38	166.7	167.5	82.2	82.8
December	578.1	576.4	6.52	6.49	167.3	168.0	82.4	82.9
January 1985	582.2	580.2	6.60	6.55	167.9	168.4	82.5	82.9
February	586.9	584.4	6.70	6.66	168.5	168.7	82.6	82.9
March	591.8	588.3	6.79	6.73	169.1	169.1	82.8	82.9
April	594.7	592.8	6.91	6.85	169.4	169.6	82.8	83.0
May	599.3	597.2	7.01	6.96	169.6	169.8	82.7	83.0
June	606.6	603.3	7.12	7.05	169.9	170.3	82.7	83.0
July	613.4	608.6	7.23	7.18	170.3	170.6	82.7	83.0
August	617.3	612.4	7.35	7.25	170.7	171.1	82.7	83.0
September	620.8	616.5	7.48	7.36	171.0	171.5	82.8	83.1

Fore. = August Forecast
C.E. = Current Expectations
* = This item and those beyond it are expectations.

CONSTRUCTION

	Housing Starts		Single Family Starts		Housing Permits		Construction Expenditures (Current)		Construction Expenditures (Real)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	2.015	2.015	1.196	1.196	1.758	1.758	305.3	305.3	189.3	189.2
May	1.794	1.794	1.151	1.131	1.745	1.745	311.3	311.0	194.3	194.1
June	1.886	1.886	1.068	1.092	1.776	1.776	310.6	309.3	195.8	195.1
July	1.763	1.761	1.036	0.982	1.624	1.562	314.1	311.4	196.9	196.0*
August	1.707	1.739*	1.015	0.987*	1.582	1.548*	317.4	312.7*	198.0	196.2*
September	1.696	1.739	1.027	0.996	1.556	1.566	319.5	314.2	198.4	196.6
October	1.728	1.731	1.058	1.004	1.573	1.583	321.6	313.1	199.4	195.4
November	1.714	1.731	1.040	1.015	1.582	1.588	320.6	314.1	198.3	195.5
December	1.701	1.728	1.028	1.007	1.542	1.574	319.4	315.9	197.0	196.2
January 1985	1.656	1.690	1.003	0.983	1.503	1.526	322.1	317.5	197.9	196.7
February	1.692	1.755	1.032	1.037	1.517	1.548	328.1	318.6	200.9	197.0
March	1.719	1.729	1.043	1.035	1.538	1.563	333.8	321.0	203.9	197.8
April	1.684	1.685	1.002	1.009	1.543	1.547	332.3	322.8	202.1	198.2
May	1.608	1.630	0.994	0.962	1.496	1.511	331.7	324.4	201.0	198.4
June	1.595	1.625	0.953	0.953	1.472	1.488	333.1	323.9	201.0	197.3
July	1.638	1.597	0.986	0.965	1.483	1.463	336.1	324.2	202.0	196.5
August	1.627	1.625	0.974	0.982	1.465	1.468	338.0	324.7	202.5	196.0
September	1.577	1.606	0.917	1.017	1.441	1.455	339.8	326.7	202.9	196.3

	Non-Residential		Public Construction		Residential Construction	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	117.0	117.0	54.6	54.6	133.7	133.7
May	121.6	121.5	55.5	55.6	134.2	133.9
June	122.4	120.7	57.0	57.6	131.2	130.9
July	124.4	121.0	56.9	57.0	132.8	133.3
August	126.3	122.5*	57.5	57.5*	133.6	132.7*
September	128.1	123.8	58.2	57.9	133.2	132.5
October	130.3	124.6	58.7	58.4	132.6	130.1
November	132.5	125.5	59.1	58.9	129.0	129.7
December	134.8	126.7	59.6	59.4	125.0	129.8
January 1985	136.9	127.8	60.0	59.9	125.2	129.8
February	138.9	129.3	60.3	60.2	128.9	129.1
March	141.0	130.2	60.5	60.7	132.3	130.1
April	142.6	131.1	60.8	61.1	128.9	130.6
May	144.1	131.9	61.1	61.5	126.5	131.0
June	145.7	132.8	61.5	61.9	125.9	129.2
July	147.4	133.9	62.3	62.3	126.4	128.0
August	148.7	135.0	63.1	62.7	126.2	127.0
September	150.1	136.1	63.8	63.2	125.9	127.4

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PRICES

	CPI-U (seasonally adjusted)		PPI Finished Goods (seasonally adjusted)		PPI-Industrial Commodities (unadjusted)		Estimated GNP Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	309.0	309.0	291.6	291.2	322.5	322.6	221.69	221.69
May	309.6	309.6	291.5	291.5	323.3	323.3	222.25	222.28
June	310.1	310.1	291.4	291.4	323.9	323.9	222.98	223.02
July	311.1	311.1	292.2	292.3	324.3	324.0	223.55	224.04
August	312.0	311.7*	292.8	292.0	325.0	323.5	224.16	224.60
September	312.9	313.1	293.3	292.0*	326.3	324.1*	225.01	225.37
October	314.5	314.2	294.4	293.0	328.4	326.3	225.93	226.20
November	316.0	315.2	295.5	293.9	328.6	327.0	226.89	226.96
December	317.6	316.5	296.6	295.1	328.9	327.4	227.85	227.79
January 1985	318.9	317.8	297.5	296.3	330.6	328.0	229.11	229.10
February	320.2	319.1	298.4	297.5	332.4	328.5	229.93	229.95
March	321.5	320.4	299.6	298.7	334.1	329.0	230.75	230.82
April	323.0	322.0	300.8	299.9	335.2	329.6	231.63	231.87
May	324.6	323.1	302.0	300.9	336.4	330.3	232.60	232.77
June	326.3	324.4	303.5	302.1	337.5	331.2	233.62	233.84
July	327.4	325.7	304.1	303.3	339.0	332.4	234.54	234.63
August	328.5	326.9	305.0	304.4	340.8	333.7	235.41	235.83
September	329.7	328.3	306.1	305.7	342.6	335.0	236.30	236.76

	Consumption Deflator		Consumer Durables		Consumer Nondurables		Consumer Services		Implicit Construction Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	219.1	219.1	179.1	179.1	217.2	217.2	234.9	234.9	161.3	161.3
May	219.1	219.1	179.6	179.8	216.6	216.5	235.7	235.7	160.2	160.2
June	219.3	219.2	179.5	179.8	216.0	215.4	236.5	236.9	158.6	158.6
July	220.0	220.3*	179.8	180.3*	216.5	216.3*	237.7	238.2*	159.5	158.9*
August	220.8	220.9	180.0	180.5	217.1	216.1	238.8	239.3	160.3	159.4
September	221.7	221.6	180.2	180.8	217.7	217.0	240.0	240.3	161.0	159.8
October	222.5	222.4	180.5	181.3	218.4	217.8	241.1	241.2	161.3	160.2
November	223.3	223.1	180.9	181.8	219.0	218.5	242.1	242.2	161.7	160.7
December	224.2	224.0	181.3	182.2	219.6	219.3	243.0	243.4	162.1	161.0
January 1985	225.0	224.9	181.7	182.6	220.3	220.1	244.2	244.8	162.8	161.4
February	225.7	225.8	182.0	183.0	221.0	220.9	245.5	246.0	163.3	161.7
March	226.4	226.7	182.3	183.3	221.7	221.6	246.8	247.2	163.7	162.3
April	227.3	227.8	182.6	183.7	222.4	222.5	247.9	248.5	164.4	162.9
May	228.2	228.6	183.0	184.2	223.0	223.2	249.0	249.7	165.0	163.5
June	229.3	229.5	183.4	184.6	223.7	224.0	250.1	250.8	165.7	164.2
July	230.1	230.4	183.9	185.1	224.4	224.7	251.3	252.0	166.4	165.0
August	230.9	231.3	184.5	185.6	225.0	225.5	252.5	253.1	166.9	165.7
September	231.7	232.3	185.1	186.1	225.6	226.3	253.6	254.3	167.5	166.4

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MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		IVA (annual rate)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	-10.95	-10.95	168.3	168.3	3618	3619	1632	1632	7.9	7.8
May	-7.62	-7.62	168.9	168.8	3643	3644	1639	1639	9.3	8.5
June	-7.72	-7.72	167.4	166.6	3679	3682	1650	1651	8.0	7.0
July	-9.42	-14.06	167.0	165.3	3705	3710	1657	1657	6.2	5.4
August	-7.63	-11.58*	167.5	165.3*	3725	3719	1662	1656	4.3	3.1
September	-8.78	-10.21	168.2	166.0	3746	3737	1665	1658	3.6	3.8
October	-8.93	-9.65	168.0	167.1	3768	3760	1668	1662	9.9	7.2
November	-9.08	-9.88	168.5	167.5	3785	3779	1668	1665	16.7	6.8
December	-8.92	-10.24	169.3	168.3	3822	3809	1677	1672	19.9	7.9
January 1985	-7.85	-10.83	169.8	168.2	3847	3830	1679	1672	18.7	10.4
February	-8.63	-11.02	170.5	168.7	3875	3856	1685	1677	17.5	9.7
March	-10.32	-10.75	170.8	170.1	3914	3885	1696	1683	16.2	10.2
April	-8.86	-10.94	171.3	171.3	3928	3900	1696	1682	18.4	10.6
May	-9.25	-11.26	171.8	172.0	3952	3934	1699	1690	20.3	11.5
June	-9.02	-11.43	172.2	172.2	3977	3961	1702	1694	20.1	11.8
July	-8.95	-11.65	171.5	172.8	4002	3982	1706	1697	20.8	13.4
August	-8.82	-11.32	171.2	172.5	4029	4005	1711	1698	21.1	15.1
September	-8.76	-10.88	170.8	171.8	4055	4029	1716	1702	20.8	15.7

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FINANCIAL MARKETS

	Monetary Base		M1		M2		Federal Funds		T-Bills (6 Mos.)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	208.4	208.4	535.3	535.4	2242.2	2242.9	10.29	10.29	9.84	9.84
May	210.0	210.0	541.0	541.1	2259.6	2258.6	10.32	10.32	10.31	10.31
June	212.9	212.8	546.2	546.2	2273.0	2271.7	11.06	11.06	10.51	10.51
July	213.0	212.5	547.3	545.5	2285.5	2281.0	11.15	11.23	10.50	10.52
August	214.1	212.7	550.2	546.3	2296.2	2289.1	11.31	11.64	10.46	10.61
September	215.3	215.8*	553.3	554.5*	2307.5	2302.8*	11.32	11.61*	10.55	10.43*
October	216.7	217.1	557.8	559.7	2322.4	2323.8	11.30	11.53	10.43	10.35
November	218.3	218.2	561.2	563.0	2343.6	2340.4	11.35	11.55	10.47	10.48
December	219.9	219.5	564.6	566.9	2366.2	2359.5	11.33	11.60	10.52	10.61
January 1985	221.2	221.0	568.3	571.3	2384.6	2381.2	11.62	11.52	10.67	10.52
February	222.6	222.3	572.1	575.8	2400.2	2400.7	11.76	11.68	10.76	10.65
March	224.1	224.0	575.8	579.3	2415.9	2420.6	11.91	11.79	10.85	10.88
April	225.5	224.9	578.9	581.4	2435.7	2435.6	12.27	12.02	11.02	11.14
May	226.9	226.0	582.4	583.5	2456.9	2449.8	12.53	12.21	11.20	11.22
June	228.3	227.1	586.1	587.1	2477.3	2486.0	12.46	12.36	11.17	11.28
July	229.7	228.2	589.0	590.6	2495.2	2487.9	12.02	12.32	10.72	11.20
August	231.0	229.5	591.8	594.2	2509.8	2506.0	11.75	12.07	10.43	11.06
September	232.3	230.7	594.6	597.5	2524.7	2524.2	11.48	11.82	10.29	10.97

	Aaa (Seasoned)		Municipals (Bond Buyer)		(3 Month) Commercial Paper		90 Day CD's		Prime Rate	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	12.81	12.81	10.19	10.19	10.18	10.18	10.41	10.41	11.93	11.93
May	13.28	13.28	10.49	10.49	10.65	10.65	11.11	11.11	12.39	12.39
June	13.55	13.55	10.67	10.67	10.98	10.98	11.34	11.34	13.00	12.60
July	13.43	13.44	10.48	10.42*	11.18	11.19	11.52	11.56	13.00	13.00
August	13.07	12.87	10.13	10.06	11.30	11.18	11.73	11.47	13.00	13.00
September	12.62	12.78*	9.72	10.03*	11.32	11.25*	11.80	11.56*	13.00	13.00*
October	13.06	12.94	10.12	10.22	11.30	11.28	11.71	11.62	13.00	13.00
November	13.39	13.15	10.47	10.39	11.26	11.36	11.59	11.68	13.00	13.00
December	13.72	13.22	10.84	10.47	11.25	11.40	11.55	11.73	13.00	13.18
January 1985	13.52	13.20	10.68	10.49	11.58	11.47	11.88	11.80	13.37	13.50
February	13.46	13.36	10.57	10.64	11.71	11.52	11.99	11.84	13.50	13.50
March	13.51	13.43	10.61	10.74	11.90	11.66	12.17	11.93	13.78	13.73
April	13.59	13.51	10.74	10.82	12.07	11.73	12.38	12.07	14.00	14.00
May	13.92	13.57	11.14	10.87	12.36	11.85	12.63	12.20	14.36	14.00
June	13.74	13.55	10.94	10.85	12.30	11.90	12.65	12.28	14.50	14.00
July	13.41	13.46	10.54	10.76	11.98	12.02	12.36	12.34	14.43	14.00
August	13.17	13.21	10.30	10.50	11.74	11.93	12.07	12.26	13.93	14.00
September	13.08	13.09	10.20	10.38	11.39	11.84	11.68	12.11	13.42	13.92

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